

THE TORONTO STOCK EXCHANGE

31/7/69

FILING STATEMENT NO. 1705.
FILED, AUGUST 14th, 1969.

MARTIN-McNEELY MINES, LIMITED

Full corporate name of Company

Incorporated under The Companies Act (Ontario) by Letters
Patent dated December 13, 1927

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to a previous
Filing Statement No. 1020.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Property Acquisition: 10 year lease and option to purchase or to pay royalties upon ore derived from 486 unpatented mining claims in the Yellow Cat Area of the Thompson Mining District, Grand Country, Utah, U.S.A.
2. Head office address and any other office address.	2788 Lakeshore Blvd. West, Toronto 500, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>President and Director George T. Smith 7 Ormsby Crescent Toronto 199, Ontario Barrister & Solicitor President, Siscoe Mines Ltd.</p> <p>Director, H. Dahl-Jensen Box 69, Unionville, Ontario President, Mihorean and Dahl-Jensen Real Estate Agents, Unionville, Ontario.</p> <p>Director R. E. Fasken 1379 Mississauga Road North Port Credit, Ontario, Mining Executive, Vice-President, Northgate Exploration Limited.</p> <p>Vice-President and Director, S. J. Zacks, Penthouse 26, East Tower, 400 Walmer Road, Toronto 178, Ontario, Executive; President, Concord Realty Ltd.</p> <p>Director, C.M. Masterman, Suite 204, 14 Nielson Drive, Etobicoke, Ontario, Secretary-Treasurer, Siscoe Mines Ltd.</p> <p>Director, G. B. Henning, 2140 Gordon Drive, Mississauga, Ontario, Business Executive, President and General Manager, Langley's Ltd.</p> <p>Director, J. E. J. Fahlgren, Cochenour, Ontario, President, Cochenour Willans Gold Mines Ltd. since June 1965. Vice-President and General Manager previously.</p> <p>Secretary-Treasurer, N. W. Wheatley, 9 Lynn Grove Avenue, Toronto 590, Ontario</p>

4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 6,000,000 par value \$1.00 Issued: 6,000,000
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Nil
7. Name's and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to perform exploration drilling and detailed photogeologic mapping of the fracture system on the 486 Utah claims. The anticipated program to be in two phases designed to discover ore, test the overall stratigraphy and favourability of the uranium-vanadium host rock. The proposed expenditure for phase one estimated at \$118,885.00 and phase two (to better define though not fully delineate ore deposits in mineralized zones discovered) is estimated at \$205,240.00 .
10. Brief statement of company's chief development work during past year.	<p>The Company did not directly carry out any development work during the past year. Annco Mines Limited, in which the Company has a 44.8% share interest, produced 27,992 tons of ore averaging 0.368 oz. of gold per ton, and incurred a net loss during the year ended December 31st, 1968, of \$88,635. Mining operations are continuing in 1969 with no significant new developments.</p> <p>Wilmar Mines Limited, 43.8% owned by the Company, produced 28,018 tons of ore grading 0.249 oz. of gold per ton and incurred a net loss during the year ended December 31st, 1968, of \$136,941. During 1968 diamond drilling indicated additional ore potential at the property of Wilmar Mines Limited and during 1969 underground development of two new levels has been undertaken which will result in significantly increased production from the Wilmar property during 1969.</p>

SCHEDULE "A"

MARTIN McNEELY MINES LIMITED

Investment Portfolio as at June 30th, 1969

<u>MARKETABLE SECURITIES</u>		<u>COST</u>	<u>MARKET VALUE</u>
620	Asbestos Corporation	\$14,458.40	\$12,477.50
2000	Bell Telephone	92,142.90	92,750.00
2000	Loblaw Company A.	17,150.00	13,000.00
2700	Mattagami Lake Mines	22,390.60	37,125.00
500	Trans Canada Pipe	17,662.50	19,375.00
1000	Weston B.	17,300.00	18,750.00
5000	Fibre Products Limited	45,534.30	63,125.00
\$2000	Trans Canada Bond 5% /89	2,061.50	2,020.00
		<u>\$229,700.20</u>	<u>\$258,622.50</u>

SHORT TERM INVESTMENTS

Royal Trust	July 7	\$25,000.00
Gen. Motors Acc.	July 24	30,000.00
G.M.A.C.	July 30	50,000.00
Royal Trust	Aug. 11	45,000.00
G.M.A.C.	Sept. 9	50,000.00
G.M.A.C.	Feb. 10 /70	125,000.00
		<u>\$325,000.00</u>

INVESTMENT IN MINING COMPANIES

197,500	Luxor Red Lake	9,875.00	No Market
15,000	Lake Expanse Gold Mines	1,332.00	No Market
10,000	Bruno Mining Corporation	1.00	No Market
1,301,663	Ancco Mines Limited	234,083.25	No Market
1,315,666	Wilmar Mines Limited	625,110.10	No Market
160,000	Marmattagami Mines (135,000 escrowed)	10,412.90	No Market
		<u>\$880,814.75</u>	

FINANCIAL STATEMENTS

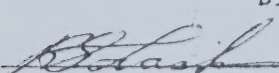
MARTIN McNEELY MINES LIMITED

BALANCE SHEET - NOT AUDITED

<u>ASSETS</u>	June 30 <u>1969</u>	June 30 <u>1968</u>
<u>Current:</u> Cash	\$ 763.48	\$ 2,929.55
	<u>Cost</u>	<u>Market Value</u>
Short Term Investments	325,000.00	\$325,000
Marketable Securities	229,700.20	\$258,622.50
Accounts Receivable	1,978.90	6,528.11
	<u>\$557,442.58</u>	<u>\$500,099.53</u>
Shares in Mining Companies	880,814.75	880,814.75
Advance to Wilmar Mines	20,000.00	20,000.00
	<u>\$900,814.75</u>	<u>\$900,814.75</u>
Patented Mining Claims (Ontario)	99,470.20	99,470.20
Mining Claims (Quebec)	-	6,622.00
	<u>\$99,470.20</u>	<u>\$106,092.20</u>
<u>Deferred Assets</u>		
Mining Syndicates	9.00	9.00
Deferred Exploration & Administrative Expenditures	154,722.03	179,353.99
TOTAL ASSETS:	<u>\$1,712,458.56</u>	<u>\$1,686,869.47</u>
<u>LIABILITIES</u>		
<u>Current:</u> Accounts Payable	1,150.00	685.00
Deferred Interest	2,567.52	1,168.30
	<u>3,717.52</u>	<u>1,853.30</u>
Capital Stock less discount on shares	1,687,818.74	1,687,818.74
Retained Earnings (deficit)	20,922.30	(2,802.57)
	<u>\$1,708,741.04</u>	<u>\$1,685,016.17</u>
TOTAL LIABILITIES:	<u>\$1,712,458.56</u>	<u>\$1,686,869.47</u>

APPROVED BY THE BOARD:

Director



Director

UNAUDITED STATEMENT OF DEFERRED EXPLORATION
AND ADMINISTRATIVE EXPENDITURE

	30th June <u>1969</u>	30th June <u>1968</u>
Balance Deferred January 1st.	169,967.99	192,521.53
Exploration		
Miner's licence	100.00	100.00
Acreage and municipal Taxes	<u>72.40</u>	<u>114.18</u>
	172.40	114.18
Administrative		
Shareholders Information	2,208.25	1,012.50
General Expense	163.00	63.85
Transfer Agents Fees	590.56	696.51
Office Rental	300.00	300.00
General Administrative	900.00	900.00
Directors Fees	350.00	275.00
Audit	375.00	375.00
Office Salary & Expenses	<u>266.94</u>	<u>305.00</u>
	5,153.75	3,927.86
Total Exploration & Administrative Expenses	<u>5,326.15</u>	<u>4,042.34</u>
	175,294.14	196,563.87
DEDUCT		
Interest Income	15,137.11	11,334.88
Dividend Income	<u>5,435.00</u>	<u>5,875.00</u>
	20,572.11	17,209.88
BALANCE DEFERRED JUNE 30th.	<u>154,722.03</u>	<u>179,353.99</u>

Unaudited Statement of Retained Earnings.

Retained Earnings (Deficit) Jan.1st.	18,385.77	(2,264.36)
ADD		
Gain on investments	<u>2,536.53</u>	<u>—</u>
	20,922.30	(2,264.36)
ADD		
Loss on Investments	NIL	(538.21)
Retained Earning (deficit) June 30th	<u>20,922.30</u>	<u>(2,802.57)</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Six Months ended June 30th. 1969

(With Comparative Figures for 1968)

(Prepared from the Books of Account Without Audit)

SOURCE OF FUNDS	June 30 <u>1969</u>	June 30 <u>1968</u>
Income From Investments	\$20,572.11	\$17,209.88
Less Expenses	5,326.15	4,042.34
	—	—
Gain on Investments	\$15,245.96	13,167.54
	2,536.53	—
	\$17,782.49	\$13,167.54
APPLICATION OF FUNDS		
Loss on Investments	NIL	538.21
Cost of Participating in Mining Syndicates	NIL	500.00
		\$1,038.21
INCREASE IN WORKING CAPITAL	<u>\$17,782.49</u>	<u>\$12,129.33</u>

[Signature]

GEOLOGIST'S REPORT

NOTE- The following excerpts are from a report by Donald C. Elkin, Geologist, dated May 31st, 1969, on Uranium-Vanadium ore mining claims located in the Yellow Cat Area, Thompson Mining District, Grand County, Utah.

EXPLORATION PROGRAMMING AND BUDGETS

Since the anticipated ore deposits will be under several hundred feet of overburden, the appropriate means of exploration is considered to be non-core drilling followed by downhole gamma-resistivity-SP logging. The following drilling program is planned in two phases: (1) to hopefully discover ore and to test the overall stratigraphy and favorability of the uranium-vanadium ore host rock and (2) to follow up the first phase to delineate favorable areas and to do some offset drilling from ore or mineralization encountered. The programming herein does not cover the required development drilling to fully define ore deposits discovered. This would be Phase III drilling, and its costs would probably about equal the second phase program.

Aside from the exploration drilling, possible subsequent development drilling, and the evaluation of information obtained from these and directly related activities, the only other work believed of real value at this time is detailed photogeologic mapping of the fracture system. This should be completed as soon as possible so that it can be used in the exploration work.

Time is needed between each drilling phase to evaluate information obtained. A month for this work following Phase I and Phase II drilling is reflected in the budgeting.

Thirty-four of the proposed drill hole locations for Phase I are shown on the attached map, Enclosure II. Drill hole locations for Phase II will be determined by the results of Phase I.

It is anticipated that most of the drill holes will collar in the Burro Canyon Formation or the lower part of the Mancos Shale formation. The holes should penetrate the lowermost sandstone of the Salt Wash Member during the initial program, being shortened in subsequent holes if early results indicate desirability.

Hole depths will range between 600 feet and 1,300 feet and will probably average about 900 feet. 15,000 feet of non-core drilling is scheduled per month.

The following budgets cover Phase I and Phase II exploration programs for the subject properties and these expenditures will also satisfy annual assessment requirements due by September 1, 1969, and by September 1, 1970, if exploration is scheduled properly.

PHASE I

Non-Core Drilling

Non-core drilling costs are based on current drilling costs in the general Moab, Utah area. These are estimated at \$2.00 per foot and will include all direct drilling costs.

Forty-five holes for a total of 40,500 feet are scheduled for Phase I. Drilling costs are estimated at \$81,000. It is expected to take about three months to complete the drilling at 22 work days per month.

Down-Hole Logging

Gamma-Resistivity-SP downhole logging is scheduled for this project at \$0.17 per foot. It will cover logging costs including travel and standby time for an estimated total expenditure of \$6,885.00. It will not cover drift surveys should they be required. Costs were quoted by Nuclear Logging Service, Inc. of 5645 Yukon Street, Arvada, Colorado.

Road Construction and Drill Site Preparation

Drill site preparation and road construction costs for this project are estimated at \$2,000. Most of the initial drill sites and access roads are already in but require improvements due to damage caused by hard rains last fall. Costs include operation as well as the moving in of equipment.

Surveying

Surveying of drill hole locations is estimated at a cost of \$2,000.

Sample Containers, Storage and Assaying

Sample containers, storage and assaying costs are estimated at \$1,000. Since this phase of the project is set up primarily for collection of stratigraphic information and since no core drilling is planned, only minor assaying costs are anticipated.

Miscellaneous Supplies and Contingencies

Some miscellaneous field and office supplies are expected and a small contingency fund should be available. This total expenditure is estimated at \$3,000. It will include reproduction costs of logs, maps, etc.

Project Management

Cost for managing and operating the exploration project is estimated at \$6,000 per month. These costs are broken down on a monthly basis as follows:

1. Project management fee -- includes up to 5 days of project manager's time, secretarial and book-keeping help and some drafting	\$1,500.00
2. Consulting fee -- up to an additional 5 days of project manager's time depending upon project problems and availability @ \$125.00 per day	625.00
3. Field geologist's time	2,200.00
4. Vehicle cost @ 15¢ per mile -- 3000 mi per mo.	450.00
5. Outside travel -- project manager	200.00
6. Travel and field expenses for field geologist	300.00
7. Contract labor -- sample handling, posting of affidavits of labor, etc.	500.00
C. Miscellaneous	225.00
Total monthly management and operating costs	\$6,000.00

Evaluation

Evaluation of results of Phase I drilling	\$5,000.00
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Summary Exploration Budget Phase I

Non-Core Drilling	\$ 81,000.00
Core Drilling	-
Gamma-Resistivity-SP Logging	6,885.00
Sample Containers, Storage, Assaying	1,000.00
Surveying	2,000.00
Access Road and Drill Site Construction	2,000.00
Miscellaneous Supplies and Contingencies	3,000.00
Project Management and Consulting Costs	18,000.00
Evaluation of Drilling Results -- (Management & Consulting)	5,000.00
Estimated Total Phase I Project Cost	\$118,885.00
Approximate overall cost per foot drilled	\$ 2.95

PHASE II

Phase II is programmed as a follow up on Phase I to better define favorable areas encountered during Phase I and to do some offset drilling from mineralized zones discovered. It is not planned to fully delineate ore deposits during this phase.

All drilling for Phase II is to be non-core. If any core drilling is desired, additional budgeting would be required and would be at about \$6.00 per foot for the cored intervals.

Eighty holes are planned for Phase II, totaling 72,000 feet. It will take about 5 months to complete at 15,000 feet per month, plus a month or longer for evaluation of data collected. The drilling time can be shortened by putting additional rigs and personnel on the job but this is not necessarily desirable.

Exploration Budget Phase II

Non-Core Rotary Drilling (72,000 ft. x \$2.00)	\$144,000.00
Core Drilling	-
Gamma-Resistivity-SP Logging	12,240.00
Sample Containers, Storage and Assaying	2,000.00
Surveying (Drill Site Location)	3,000.00
Access Road and Drill Site Construction	3,000.00
Miscellaneous Supplies and Contingencies	6,000.00
Project Management and Consulting Costs	30,000.00
Evaluation of Drilling Results -- (Management & Consulting)	5,000.00
Estimated Total Phase II Cost	\$205,240.00
Approximate overall cost per foot Phase II	\$ 2.85
Total Phase I and Phase II Exploration Costs	\$324,625.00

Phase III drilling to delineate ore deposits discovered cannot be properly budgeted at this time since the amount of drilling required is determined by the number of mineralized areas and by the size of the ore deposits encountered in Phase I and Phase II. Development drilling funds for Phase III in an amount equal to Phase II costs should be available (\$200,000). Total exploration and development drilling costs would then be about \$525,000.00.

Exploration programming and budgeting does not include core drilling which will be required at strategic locations to determine uranium disequilibrium factors if ore of significance is discovered.

CONCLUSIONS

The subject properties are favorably positioned geologically and are considered to be reasonable uranium-vanadium exploration prospects.

The properties cover a large area and are untested by drilling. Hole density for the exploration programs scheduled herein is small for the area involved.

Phase I drilling results should be evaluated carefully. If ore, mineralization or favorable ore guides are not encountered, then serious consideration should be given to possible abandonment of the properties or to a re-evaluation of Phase II drilling.

The proposed hole locations for Phase I drilling as shown on the accompanying map are tentative, and should be relocated to more advantageous sites if early drilling results indicate that this is desirable.

Geo-Comp Exploration, Inc.
1019 W. Prince Road
Tucson, Arizona 85705

August 1, 1969

Toronto Stock Exchange
Toronto, Ontario
Canada

Gentlemen:

Concerning my report on "The Uranium-Vanadium Ore Potential of Certain Unpatented Mining Claims in the Yellow Cat Area of the Thompson Mining District, Grand County, Utah," the following remarks should serve to clarify my position:

I have no personal interest either directly or indirectly in the aforementioned properties.


Field work pursuant to this report was undertaken and completed by me during the week of May 26 through 31, 1969.

Background reference material, as listed in the bibliography, is as follows:

1. Cannon, Helen L.: 1964
Geochemistry of Rocks and Related Soils and Vegetation in the Yellow Cat Area, Grand County, Utah; USGS Bulletin 1176
2. Finch, Warren I.: 1967
Geology of Epigenetic Uranium Deposits in Sandstone in the United States: USGS Professional Paper 538
3. Garrels, R.M. and Christ, C.L.: 1959
Behavior of Uranium Minerals During Oxidation; USGS Professional Paper 320, p. 81 - 89
4. Stokes, William Lee: 1952
Uranium-Vanadium Deposits of the Thompson Area, Grand County, Utah

My experience and qualifications are set out in the attached resume'.

Respectfully submitted,


Donald C. Elkin

STATE OF UTAH)
) ss.
COUNTY OF Grand)

On the 1st day of August, 1969, personally appeared before me Donald C. Elkin, the signer of the above instrument, who duly acknowledged to me that he executed the same.


Notary Public

My Commission Expires:

2-3-71

DONALD C. ELKIN

Geologist

Geo-Comp Exploration, Inc.
1019 W. Prince Road
Tucson, Arizona 85705

Education:

B.S. Geology - University of Arizona, 1960

Experience:

1969: Assistant Director Research and Program Development for Computech Research Ltd., Tucson, Arizona. Programming capability in Fortran IV language for In-house IBM Model 44 digital computer. Responsible for the development of programs in statistical optimization of drilling patterns for Uranium exploration, and gamma ray digital signal processing for Uranium ore grade and thickness determinations.

1968 - 1969: Geologist, Computer Applications, for Space Sensor Systems, Tucson, Arizona. Programming capability in Fortran II and IV languages for IBM Model 1130 digital computer. Work included programs in geochemical trend surface analysis, aero-magnetic and induced polarization data reduction, oil field information storage and retrieval, and computer production of structure contour and isopach maps.

1966 - 1968: Geologist for T.H. McElvain Oil Company. Engaged primarily in obtaining oil and gas leases in the Four Corners area. Additional work included the establishment of a library of geologic and land status maps and publications.

1965: Geologist for D. and G. Mining Company, Missoula, Montana. Participated in geochemical exploration programs for copper, molybdenum, and silver in Montana and Idaho.

1962 - 1965: Geologist for Hunting Geophysical Services, Inc. Engaged in exploration for copper and molybdenum throughout the southwest. Responsible for programs in surface and underground geologic mapping and aerial photo interpretation, reconnaissance and detailed geochemical surveys, and diamond drilling. Also coordinated and helped plan aero-magnetic and induced polarization surveys.

Supervised data reduction and presentation, and performed field investigation of anomalies.

1960 - 1962: Geologist for U.S. Geological Survey, Menlo Park, California. Engaged as field assistant for regional geological mapping programs.

Responsibilities included cataloging of data and preparation of maps and charts.

STATE OF UTAH }
COUNTY OF Grand } ss.

On the 1st day of August, 1969, personally appeared before me Donald C. Elkin, the signer of the above instrument, who duly acknowledged to me that he executed the same.

Mary Snow
Notary Public

My Commission Expires:

2-3-71

